

Local 710 Health, Welfare and Pension Funds



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ANNUAL FUNDING NOTICE

For

INTERNATIONAL BROTHERHOOD OF TEAMSTERS UNION LOCAL NO. 710 PENSION FUND

Introduction

This notice provides key details about your multiemployer pension plan (the "Plan") for the plan year beginning 2/1/2024 and ending 1/31/2025 ("Plan Year").

This is an informational notice. You do not need to respond or take any action.

This notice includes:

- Information about your Plan's funding status.
- Details on your benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency.

What if I have questions about this notice, my plan, or my benefits?

Contact your plan administrator at:

- Mr. Michael O'Malley
- **Phone:** 773-254-2500
- **Address:** 9000 187th St., Suite 200, Mokena, IL 60448
- **Email:** info@710hwp.org

To better assist you, provide your plan administrator with the following information when you contact them:

- **Plan Number:** 001
- **Plan Sponsor Name:** Trustees of the International Brotherhood of Teamsters Union Local No. 710 Pension Fund
- **Employer Identification Number:** 36-2377656

What if I have questions about PBGC and the pension insurance program guarantees?

Visit www.pbgc.gov/prac/multiemployer for more information. For specific information about your pension plan or pension benefits, you should contact your employer or plan administrator as PBGC does not have that information.

Federal law requires all traditional pension plans, also known as defined benefit pension plans, to provide this notice every year regardless of funding status. This notice does not mean your Plan is terminating.

How Well Funded Is Your Plan?

The law requires the Plan's administrator to explain how well the Plan is funded, using a measure called the "funded percentage." The funded percentage is calculated by dividing Plan assets by Plan liabilities. In general, the higher the percentage, the better funded the plan. The chart below shows the Plan's funded percentage for the Plan Year and the two-preceding plan years. It also lists the value of the Plan's assets and liabilities for those years.

	Funded Percentage		
	2024	2023	2022
Valuation Date	2/1/2024	2/1/2023	2/1/2022
Funded Percentage	111.3%	120.3%	116.1%
Value of Assets	\$4,122,759,708	\$3,852,451,302	\$3,612,123,517
Value of Liabilities	\$3,703,577,541	\$3,203,183,401	\$3,111,142,974

Year-End Fair Market Value of Assets

To provide further insight into the Plan's financial position, the chart below shows the fair market value of the Plan's assets on the last day of the Plan Year and each of the two preceding plan years as compared to the actuarial value of the Plan's assets on January 31.

- **Actuarial values (shown in the chart above)** account for market fluctuations over time. Unlike market values, actuarial values do not change daily with stock or market shifts.
- **Market values (shown in the chart below)** fluctuate based on investment performance, providing a more immediate snapshot of the plan's funding status.

	1/31/2025	1/31/2024	1/31/2023
Fair Market Value of Net Assets*	\$4,377,267,999	\$3,976,946,967	\$3,706,721,584

* The market value of assets shown as of 1/31/2025 is an estimate based on unaudited financial information prepared by the Fund Office. The market value of assets as of 1/31/2024 is updated from the estimated value reported in last year's notice to the audited amount.

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan's funding status determines the steps a plan must take to strengthen its finances and continue paying benefits:

- **Endangered:** The plan's funded percentage drops below 80 percent. The plan's trustees must adopt a funding improvement plan.
- **Critical:** The plan's funded percentage falls below 65 percent or meets other financial distress criteria. The plan's trustees must implement a rehabilitation plan.
- **Critical and Declining:** A plan in critical status is also designated as critical and declining if projected to become insolvent—meaning it will no longer have enough assets to pay out benefits—within 15 years (or within 20 years under a special rule). The plan's trustees must continue to implement the rehabilitation plan. The plan's sponsor may seek approval to amend the plan, including reducing current and future benefits.

The Plan was not in endangered, critical, or critical and declining status in the Plan Year.

Participant and Beneficiary Information

The following chart shows the number of participants and beneficiaries covered by the Plan on the last day of the Plan Year and the two preceding plan years. The numbers for the Plan Year reflect the plan administrator's reasonable, good faith estimate.

***Estimated*

Number of participants and beneficiaries on last day of relevant plan year	2024**	2023	2022
1. Last day of plan year	1/31/2025	1/31/2024	1/31/2023
2. Participants currently employed	7,676	8,163	8,622
3. Participants and beneficiaries receiving benefits	10,977	10,923	10,658
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	2,913	2,748	2,768
5. Total number of covered participants and beneficiaries (Line 2 + 3 + 4 = 5)	21,566	21,834	22,048

Funding & Investment Policies

Every pension plan must establish a funding policy to meet its objectives. The funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan has been developed over the past 30 years based on the requirements of ERISA and the standards set forth in the Trust Document. Employer contributions are paid into the Trust Fund which was established solely to provide retirement benefits for active and retired participants of the International Brotherhood of Teamsters Union Local No. 710 Pension Fund. Each year the Board carefully reviews an audit report and actuarial valuation report to measure current assets against current liabilities. When necessary, the Board makes changes to the Plan to preserve the assets and benefits promised in the Trust Fund. The goal is to ensure that the Plan can meet its financial obligations to all active participants, retirees and beneficiaries over the next several decades.

Investment Policy

Pension plans also have investment policies that provide guidelines for making investment management decisions. The investment policy of the Plan is designed to guide the activities necessary to maintain compliance with the policies and guidelines approved by the Plan's fiduciaries. The following table summarizes the asset allocation policy targets and ranges that have been adopted for the Plan:

Asset Class	Minimum	Target	Maximum
Liquid Equity			
U.S. Large Cap Equity		21%	
U.S. Small Cap Equity		9%	
International Equity (Including EM)		10%	
Alternative Equity			
Private Equity		7%	
Defensive Equity		5%	
Total Equity	44%	52%	60%
Liquid Fixed Income			
Fixed Income - Core Plus		12%	
Fixed Income - Global		6%	
Fixed Income – Opportunistic Credit		8%	
Total Fixed Income	22%	26%	30%
Real Assets			
Real Estate Equity - Core		7%	
Real Estate Equity - Opportunistic		3%	
Infrastructure		4%	
Total Real Assets	10%	14%	18%
Alternative Investments*			
Liquid Multi-Asset		4%	
Opportunistic Investments		4%	
Total Alternative	4%	8%	12%
Cash	0%	0%	0%

* Defined as alternative equities and fixed income

As of the end of the Plan Year, the Plan's assets were allocated among the following investment categories as percentages of total assets:

Asset Allocations	Percentage
Public Equity	46%
Private Equity	7%
Investment Grade Debt Instruments	15%
High-Yield Debt Instruments	7%
Real Assets	12%
Cash or Cash Equivalents	2%
Other	11%

The average return on assets for the Plan Year was 10.6%.

Events with Material Effect on Assets or Liabilities

By law, this notice must contain a written explanation of new events taking effect in the current plan year, which are expected to have a material effect on plan liabilities or assets. While there are no reportable events in the current plan year beginning February 1, 2025, for the plan year beginning on February 1, 2024 and ending on January 31, 2025 the following events had a material effect on plan liabilities:

- Effective February 1, 2024, a \$500 monthly benefit was added for participants retiring with 25 or more pension credits. For retirements on or after February 1, 2024, the participant must retire at age 52 or older to receive this benefit. For retirements prior to February 1, 2024, the \$500 benefit is payable beginning at the later of age 52 or February 1, 2024.

Projecting to the end of the February 1, 2024 plan year, the effect on plan liabilities (and assets) for the year resulting from the above events is anticipated to be an increase in liabilities of approximately 13.5%.

Right to Request a Copy of the Annual Report

Pension plans must file an annual report, called the Form 5500, with the U.S. Department of Labor. The Form 5500 includes financial and other information about these pension plans.

You can get a copy of your Plan's Form 5500:

- **Online:** Visit www.efast.dol.gov to search for your Plan's Form 5500. Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N1513, Washington, DC 20210, or by calling 202-693-8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. Annual reports do not contain personal information, such as the amount of your accrued benefit. You may contact your plan administrator if you want information about your accrued benefits.
- **By Mail:** Submit a written request to your plan administrator.
- **By Phone:** Call (202) 693-8673 to speak with a representative of the U.S. Department of Labor, Employee Benefits Security Administration's Public Disclosure Room.

The Form 5500 does not include personal information, such as your accrued benefits. For details about your accrued benefits, contact your plan administrator.

Summary of Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal. The plan administrator is required by law to include a summary of these rules in the annual funding notice. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available resources. If such resources are not enough to pay benefits at the level specified by law (see Benefit Payments Guaranteed by PBGC, below), the plan must apply to PBGC for financial assistance. PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including loss of a lump sum option.

Benefit Payments Guaranteed by the PBGC

Only vested benefits—those that you've earned and cannot forfeit—are guaranteed.

What PBGC Guarantees

PBGC guarantees “basic benefits” including:

- Pension benefits at normal retirement age.
- Most early retirement benefits.
- Annuity benefits for survivors of plan participants.
- Disability benefits for disabilities that occurred before the earlier of the date the plan terminated or the sponsor's bankruptcy date.

What PBGC Does Not Guarantee

PBGC does not guarantee certain types of benefits, including:

- Any benefits above the normal retirement benefit.
- Disability benefits in non-pay status.
- Non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Determining Guarantee Amounts

The maximum benefit PBGC guarantees is set by law. Your plan is covered by PBGC's multiemployer program. The maximum PBGC guarantee is \$35.75 per month, multiplied by a participant's years of credited service.

PBGC guarantees a monthly benefit based on the plan's monthly benefit accrual rate and your years of credited service. The guarantee is calculated as follows:

1. Take 100 percent of the first \$11 of the Plan's monthly benefit accrual rate.
2. Take 75 percent of the next \$33 of the accrual rate.
3. Add both amounts together.
4. Multiply the total by your years of credited service to determine your guaranteed monthly benefit.

Example 1: Participant with a Monthly \$600 Benefit and 10 Years of Service.

1. Find the accrual rate: $\$600/10 = \60 accrual rate.
2. Apply PBGC formula:
 - a. Take 100 percent of the first \$11= \$11
 - b. Take 75 percent of the next \$33 = \$24.75
3. Add the two amounts together: $\$11 + \$24.75 = \$35.75$
4. Multiply by years of credited service: $\$35.75 \times 10 \text{ years} = \357.50

In this example, the participant's guaranteed monthly benefit is \$357.50.

Example 2: Participant with a \$200 Monthly Benefit and 10 Years of Service.

1. Find the accrual rate: $\$200/10 = \20 accrual rate.
2. Apply PBGC formula:
 - a. Take 100 percent of the first \$11= \$11
 - b. Take 75 percent of the next \$9 = \$6.75
3. Add the two amounts together: $\$11 + \$6.75 = \$17.75$
4. Multiply by years of credited service: $\$17.75 \times 10 \text{ years} = \177.50

In this example, the participant's guaranteed monthly benefit is \$177.50